

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 00-0431P
Sales and Use Tax
Calendar Years 1997, 1998, and 1999

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer is a commercial motel that also rents meeting rooms. At audit, it was determined that the taxpayer failed to remit sales tax for the rental of meeting rooms and to self-assess use tax on taxable items such as office supplies, forklifts, janitorial supplies, subscriptions, and other clearly taxable items. Taxpayer was previously audited in 1993 and failed to set up an accrual system for use tax.

Taxpayer failed to remit use tax on clearly taxable purchases and had no use tax accrual system in place. Taxpayer failed to remit sales tax for the rental of meeting rooms.

1. **Tax Administration** – Penalty

DISCUSSION

Taxpayer's audit report revealed that it failed to remit use tax on clearly taxable items that were issues in a prior audit and had no accrual system in place.

Taxpayer's only statement in a letter dated October 13, 2000 is that it "respectfully protests the penalty amount of \$286.99". No reasons were given although the taxpayer was allowed twenty days from November 16, 2000 to present additional arguments.

Taxpayer did not provide reasonable cause to allow a waiver of the penalty.

FINDING

Taxpayer's protest is denied.